



## **MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK**

For the meeting held on  
November 13, 2012  
980 9<sup>th</sup> Street, Conference Center, 2nd Floor  
Sacramento, California 95814

Chairman Jimenez called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:31 p.m.

### **1. Call To Order and Roll Call.**

The following Board members were in attendance:

- Augustin Jimenez represented Secretary of the Business, Transportation and Housing Agency.
- Pedro Reyes represented Director of the Department of Finance.
- Francisco Lujano represented the State Treasurer.
- Willie Armstrong represented Secretary of the State and Consumer Services Agency.
- D. Everett Rice, Governor's appointee.

The following I-Bank staff members were in attendance:

Marilyn Muñoz, Thomas Tengan, Carlos Nakata and Diane Cummings.

### **2. Executive Director's Report.**

There was no Executive Director's report.

#### **Consent Items:**

### **3. Approve minutes from the meeting held on October 9, 2012**

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve this consent item. Mr. Reyes commented that a correction should be made to the minutes regarding the board member who made the motion to approve the minutes as he abstained from the vote. Mr. Reyes then moved to approve the corrected minutes and Mr. Rice seconded the motion. The Board unanimously approved the corrected minutes.

#### **Action Items:**

### **4. Resolution No. 12-10 approving lending Infrastructure State Revolving Fund Program funds to the Phelan Piñon Hills Community Services District in an amount not to exceed \$7,500,000 to finance an eligible project known as the Water Resources Acquisition Project located in the County of San Bernardino.**

Mr. Nakata presented a staff report in which he stated that the Phelan Piñon Hills Community Services District has requested an Infrastructure State Revolving Fund Program loan in the amount of \$7,500,000 for a term of 30 years at a rate of 2.29% for the Water Resources Acquisition Project. He explained that the project consists of the acquisition of approximately 466 acres of land and appurtenances, including six existing water wells and related water rights.

The loan proceeds will be used to acquire 157 acres of land, one well, and a portion of the water rights. Mr. Nakata further explained that the District obtains all its water supply from groundwater from the Mojave River Basin, and from its Well #14 located in the Antelope Valley Basin. He further explained that the adjudication of the Mojave Basin requires water rights holders to reduce draws over time, and that since the District is currently using more water than allowed under the Mojave Basin adjudication, the District purchases costly water from other aquifer purveyors or the State Water Project. Mr. Nakata continued the report by stating that the District now has a rare opportunity to purchase 2,335 acre feet per year of water rights and that the District anticipates that the project will reduce the amount of costly purchased water and save approximately \$16 million over the next 30 years, resulting in fewer future rate increases for its water customers. He concluded his report by stating that the project will also facilitate commercial and residential development throughout the District's service area, including potential new commercial development along the CalTrans and Metrolink proposed E220 project called the High Desert Corridor, a 62 mile freeway linking Antelope Valley and Victor Valley. Mr. Nakata then introduced Mr. Don Bartz, the District's General Manager. At that time Mr. Bartz thanked the I-Bank staff and the Board for the work that was done on the loan and reiterated the cost savings the project will provide. Mr. Bartz confirmed for Mr. Reyes that the District is contributing \$4 million in cash reserves towards the project.

Chairman Jimenez called for questions or comments from the Board and the public. Mr. Reyes asked for clarifications regarding cash flow figures contained in the staff report, wanting to know why the proposed loan payment is included in the calculation for prior years when payments will be made in the future. Mr. Nakata answered that the credit criteria contained in the Criteria, Priorities and Guideline of the ISRF Program requires the inclusion of the proposed payment for each of the two preceding fiscal years. Mr. Nakata also confirmed for Mr. Reyes that the ISRF Program loan agreement will not allow future senior debt.

Chairman Jimenez then called for additional questions or comments. Hearing none, he entertained a motion to approve Resolution No. 12-10. Mr. Reyes moved to approve the resolution and Mr. Armstrong seconded the motion. The resolution was unanimously approved.

#### **Other Non-Action Business.**

Chairman Jimenez called for any other business; there was none.

#### **Public Comment.**

Chairman Jimenez called for any public comment; there was none.

#### **Adjournment.**

Chairman Jimenez declared the meeting adjourned at approximately 1:46 p.m.